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FISCAL CORRECTION ANALYSIS OF PROFIT AND LOSS REPORTS IN DETERMINING CORPORATE INCOME TAX AT CV KARYA BHAKTI SENTOSA.

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Abstract:

CV Karya Bhakti Sentosa is a company engaged in the procurement and service provider industry. As a company obligated to pay taxes, CV Karya Bhakti Sentosa prepares commercial, financial reports as the basis for calculating taxable profits and does not make fiscal corrections following the Tax Law. Fiscal corrections are corrections made due to differences in the treatment of income and expenses that differ between accounting standards and applicable tax regulations. This study aims to make and analyze fiscal corrections on income statements in determining corporate income tax at CV Karya Bhakti Sentosa. The research method used in this study is the descriptive qualitative method, with data collection methods carried out through interviews and documentation. The results of this study are the company's fiscal profit of Rp. 807,100,774.00, an increase of Rp. 3,404,975.00 from the company's commercial profit, which causes the company to have a difference in the payable income tax that the company has deposited in the amount of Rp. 619,954.00 underpaid.

Keywords: Fiscal Correction, Profit and Loss Report, Income Tax

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INTRODUCTION

A good and growing economy makes an essential contribution to advancing the welfare of society. In carrying out development, sources of funds are needed, such as government savings, public savings, state foreign exchange, taxes, and foreign trade proceeds. Of the several sources of funds, taxes are the state's largest revenue source. The definition of tax according to Soemitro is quoted in the tax book Mardiasmo (2019: 3). Taxes are people's contributions to the state treasury based on the law, which can be forced by not receiving lead services, can be shown directly, and used to pay public expenses.

One of the obligations of taxpayers, especially corporate taxpayers, as stipulated in 54/PMK.03/2021, is that individual taxpayers who carry out business activities or independent work and corporate taxpayers in Indonesia are required to keep bookkeeping, namely financial reports. In the bookkeeping process, there is an accounting process that consists of identifying, recording, and reporting data. Therefore, a correct understanding of the bookkeeping process following applicable regulations has a positive impact on entities and individuals to be able to measure the level of income earned and expenses from the business so that they can know the level of profit which is also helpful for decision making and taxpayers can calculate the tax that needs to be deposited correctly.

The income statement is one of the reports contained in the accounting cycle. The profit and loss report is also a financial report that must be generated from the accounting system, whether made based on the provisions of the Tax Law or those determined based on Financial Accounting

Standards (SAK). Meanwhile, calculating the amount of income tax is based on profits in the fiscal financial statements obtained from calculations according to Law no. 7 of 2021 concerning Harmonization of Tax Regulations. The recognition of expenses and income according to commercial accounting and tax accounting has differences; it can affect the amount of a company's taxable profit. The difference in recognition of income and expenses results in a difference in profit under the commercial accounting concept and profit under the tax. Revenue recognized to increase commercial profit but not recognized in increasing taxable operating profit, for example, current account fee income. The costs are recognized in reducing commercial profit but not the company's taxable profit. This difference is due to differences in commercial accounting interests, which base profit on the basic concept of accounting, namely matching costs against revenue, while from a fiscal perspective, the main objective is state revenue (Suandy, 2016: 96). Therefore it is necessary to make fiscal corrections to the financial statements of a company before paying and reporting taxes.

Fiscal corrections are corrections made due to differences in the treatment of income and costs, which differ between accounting standards and applicable tax regulations (Suandy, 2016, p. 96). Fiscal correction must be done to determine the amount of tax a company owes. Before processing a fiscal correction report, corporate taxpayers must make commercial, financial reports according to Financial Accounting Standards; then, corrections will be made to income and expenses based on applicable tax regulations. CV Karya Bhakti Sentosa is a company engaged in the procurement industry and provider of goods and services. As a company obliged to pay taxes, CV Karya Bhakti Sentosa only makes commercial, financial reports as a basis for calculating taxable profit and does not make fiscal corrections following the Tax Law. However, it was found that several costs and revenues recognized by the company in the financial statements needed to follow 6 of Law No. 7 of 2021. Therefore, it is necessary to adjust the fiscal corrections in its commercial, financial reports for taxes to be calculated, reported, and paid following the applicable tax regulations. This will affect the amount of tax that the company will deposit.

METHODS

Types of Research. The type of research used in this research is descriptive qualitative. The purpose of qualitative research is to explain a phenomenon in depth by collecting data as deeply as possible, which shows the importance of the depth and detail of the data studied. This study examines the analysis of fiscal corrections on income statements in determining the corporate income tax of CV Karya Bhakti Sentosa.

Place and Time of Research. This research was conducted at CV Karya Bhakti Sentosa, Jl. Maesa XI No.17 Komplek Perum Pemda, Ranomuut Village, Paal Dua District, Manado - North Sulawesi. The time of research was carried out from September 2022 to October 2022

Types, Sources, and Methods of Data Collection. The types of data in this study are qualitative data and quantitative data. Qualitative data in this study were in the form of questions and answers for interviews conducted with company leaders. Quantitative data in this study is in the form of a 2020 profit and loss report. The data source in this study is a primary data source. Primary data, namely the results of interviews conducted with company leaders and documentation collected from CV Karya Bhakti Sentosa's financial reports for 2020 and SPT for the 2020 tax year. There are two methods of data collection used in this study:

1. Interviews were conducted directly by researchers with company leaders in order to obtain the required data and information.
2. Researchers carry out documentation by examining or viewing CV documents. Karya Bhakti Sentosa in the form of profit and loss statements and company SPT for the 2020 tax year.

Process Analysis Method. The analytical method used in this research is descriptive analysis. The analysis process in this study is as follows:

1. Collect data related to this research utilizing interviews and collect documents related to this research such as profit and loss reports and company annual tax returns.
2. Analyze and make fiscal corrections to the company's income statement to determine the amount of corporate income tax for CV Karya Bhakti Sentosa following Law no. 7 of 2021 46.
3. Then the researcher concludes the results of the research that has been obtained regarding analyzing fiscal corrections on income statements in determining corporate income tax CV. Karya Bhakti Sentosa and provide advice to the company if errors are found in the recording of the income statement, which is the basis for calculating Corporate Income Tax.

RESULT AND DISCUSSION

Result. Based on the results of interviews with employees of CV Karya Bhakti Sentosa, where the company prepares a commercial profit and loss report (Income Statement) at the end of each financial year, namely on December 31. The interviews also found that the company had already reported taxes without making fiscal corrections first, as evidenced by the process of collecting data through documentation. Table 1 shows the income statement of CV Karya Bhakti Sentosa.

Table 1. Income Statement Report CV. Karya Bhakti Sentosa 2020

Income		IDR 8.069.615.604
Cost of Goods Sold		
Beginning Inventory	IDR -	
Purchase	IDR 7.060.932.000	
Available Items	IDR 7.060.932.000	
Ending Inventory	IDR -	
Cost of Goods Sold		IDR 7.060.932.000
Laba Kotor Operasi		IDR 1.008.683.604
Operating Gross Profit		
Salary cost	IDR 118.300.000	
Electricity cost	IDR 13.852.005	
Telephone Fee	IDR 7.728.000	
Transportation costs	IDR 16.062.600	
Office expenses	IDR 14.068.000	
Regional retribution fee	IDR 5.570.000	
Asset maintenance fee	IDR 12.091.000	
Cost of office stationery	IDR 2.691.200	
Depreciation cost	IDR 14.625.000	
Total operating expenses		IDR 204.987.805
Net profit before tax		IDR 803.695.799

Discussion. Based on the above study results, companies do not make fiscal corrections to commercial financial reports before reporting their taxes, so the tax burden paid and reported by CV Karya Bhakti Sentosa is not an appropriate tax expense. This happened because CV Karya Bhakti Sentosa only made a commercial income statement without carrying out a fiscal correction process. However, based on the results of the documentation of the commercial income statement of CV

Karya Bhakti Sentosa, several accounts have been found that need to be corrected. The following describes each corrected expense and income account.

1. Electricity Costs. Based on the commercial profit and loss report of CV Karya Bhakti Sentosa, there is an electricity cost of IDR 13,852,005.00. However, after tracing, it was found to have a meter number different from that of the company in the amount of Rp.1,500,000.00, which turned out to be the meter number for the director's private house. So that the fiscal cost of electricity is IDR 12,352,005.00, and a positive correction of IDR 1,500,000.00 is needed.

2. Telephone Fees. Based on the commercial profit and loss report of CV Karya Bhakti Sentosa, there is a telephone fee of IDR 7,728,000.00. In the commercial profit and loss statement, telephone costs are charged to the company as a whole, which should only be 50% of the cost, so telephone costs according to fiscal are IDR 3,864,000.00 and need to be corrected for positive fiscal.

3. Transportation Costs. Based on the commercial profit and loss report of CV Karya Bhakti Sentosa, there was a transportation fee of Rp. 16,062,600.00, which was the cost of fuel for the company's vehicle. Office operations are listed on the company asset register. Therefore, for fiscal purposes, it must be corrected positively by IDR 3,600,000.00.

4. Asset Maintenance Costs. Based on the commercial profit and loss report of CV Karya Bhakti Sentosa, there is an asset maintenance fee of IDR 12,091,000.00, and it was found that there were several transactions amounting to IDR 3,360,000.00 which did not have transaction evidence and were declared lost by the company. If transactions are recorded without proof of transactions in substance, they cannot be recognized as expenses, so the cost of maintaining assets must be corrected positively by IDR 3,360,000.00.

5. Income. Based on the commercial profit and loss report of CV Karya Bhakti Sentosa, the company's revenue is IDR 8,069,615,604. After being traced, this income has been combined with current account service income from banks amounting to IDR 9,506,025.00, where current account service income is a final tax object and must be issued from other income as a profit enhancer. Therefore, for fiscal purposes, a negative correction of IDR 9,506,025.00 must be corrected.

Table 3 shows the accounts that need to be corrected and the tax regulations used to make fiscal corrections.

Table 3. Fiscal Correction Result

No.	Required Account Corrected	The Foundation of Rules
1.	Electricity cost	Law No.7 of 2021 concerning Harmonization of Tax Regulations Article 9 paragraph 1 letter (i)
2.	Telephone Fees	1. Decree of the Directorate General of Taxes No.KEP-220/PJ/2002 Concerning Income Tax Treatment of Cellular Phone Usage Fees and Company Vehicles, article 1 paragraph (2) 2. Decree of the Minister of Finance No. 138/KMK.03/2002
3.	Transportation cost	Law No.7 of 2021 concerning Harmonization of Tax Regulations Article 9 paragraph 1 letter (i)
4.	Asset Maintenance Costs	1. Law Number 28 of 2007 concerning General Provisions and Tax Procedures Article 28 paragraph (11) 2. Law No. 7 the Year 2021 Article 6 paragraph (1)
5.	Income	Law No. 7 the Year 2021 Article 4 paragraph (2) letter (a)

After knowing what costs and income must be corrected fiscally, a fiscal financial report is made to determine if the balance of net income has been corrected. Table 4 shows the fiscal financial reports of CV Karya Bhakti Sentosa.

Table 4. Fiscal Statements of CV Karya Bhakti Sentosa The 2020 year

Description	Commercial	Fiscal Reconciliation		Fiscal
		Positive	Negative	
Income	IDR8,069,615,604		IDR9,506,025	IDR8,060,109,579
Cost of Goods Sold				
Early preparation	IDR -			IDR -
Purchase	IDR7,060,932,000			IDR7,060,932,000
Items available for sale	IDR7,060,932,000			IDR7,060,932,000
Final inventory	IDR -			IDR -
Cost of goods sold	IDR7,060,932,000			IDR7,060,932,000
Operating Gross Profit	IDR1,008,683,604			IDR 999,177,579
Operating cost				
Salary expense	IDR118,300,000			IDR 118,300,000
Electricity cost	IDR13,852,005	IDR 1,500,000		IDR 12,352,005
Telephone fees	IDR7,728,000	IDR 3,864,000		IDR 3,864,000
Transportation costs	IDR16,062,600	IDR 3,600,000		IDR 2,462,600
Office expenses	IDR14,068,000			IDR 14,068,000
Regional retribution fees	IDR5,570,000			IDR 5,570,000
Asset maintenance cost	IDR12,091,000	IDR 3,360,000		IDR 8,731,000
Office stationery cost	IDR2,691,200			IDR 2,691,200
Cost of depreciation	IDR 14,625,000			IDR 14,625,000
Total operating costs	IDR 204,987,805			IDR 192,663,805
Net profit before tax	IDR 803,695,799			IDR 806,513,774

Based on the fiscal corrections that have been made to the expense and income accounts at CV Karya Bhakti Sentosa, the taxable profit of CV Karya Bhakti Sentosa can be calculated as follows:

Net profit before tax **IDR 803,695,799.00**

Fixed Difference Correction

Positive Correction

1) Electricity costs	IDR 1,500,000.00
2) Telephone fee	IDR.3,864,000.00
3) Transportation costs	IDR 3,600,000.00
4) Asset maintenance costs	<u>IDR 3,360,000.00</u>
Total positive fiscal correction	IDR 12,324,000.00

Negative Correction

Income	<u>IDR 9,506,025.00</u>
Total negative fiscal correction	IDR.(9,506,025.00)

Total Fixed Difference Correction

IDR 2,817,975.00

Taxable Profit

IDR 806,513,774.00

Calculation of income tax payable:

$$(4,800,000,000/8,069,615,604) \times 806,513,774 = \text{IDR } 479,733,646$$

$806,513,774 - 479,733,646 = \text{IDR } 326,780,128$
 $(479,733,646 \times 22\% \times 50\%) + (\text{Rp. } 326,780,128 \times 22\%)$
 $52,770,701 + 71,891,628 = \text{IDR } 124,662,329$
 The difference between the income tax payable after correction and before correction
 $= \text{IDR } 124,662,329.00 - \text{IDR } 124,226,756.00$
 $= - \text{IDR } 435,573.00$

Table 5. Fiscal Income Statement CV karya Bhakti Sentosa INCOME STATEMENT 2020

Income		IDR8.060.109.579
Cost of goods sold		
Beginning Inventory	IDR -	
Purchase	IDR 7.060.932.000	
Available items for sale	IDR 7.060.932.000	
Ending Inventory	IDR -	
Cost of goods sold		IDR7.060.932.000
Operating gross profit		IDR 999.177.579
Operating cost		
Salary cost	IDR 118.300.000	
Electricity costs	IDR 11.685.005	
Telephone fee	IDR 3.864.000	
Transportation costs	IDR 12.462.600	
Office expenses costs	IDR 14.068.000	
Regional retribution fee	IDR 5.570.000	
Maintenance cost asset	IDR 8.731.000	
Cost of office stationery	IDR 2.691.200	
Depreciation cost	IDR 14.625.000	
Total operating costs		IDR192.663.805
Net profit before tax		IDR806.513.774
Income Tax		IDR 124.662.329
Fiscal Net Profit		IDR 681.851.445

CONCLUSION

Based on the results of the research and discussion described above in the previous chapter, several conclusions can be drawn:

1. The amount of profit in the company's commercial financial statements is different from the amount of profit in the fiscal financial statements; this is due to the existence of costs and income that are not following tax regulations that are recognized by the company, namely electricity costs, telephone costs, transportation costs, asset maintenance costs and current account service income.
2. A positive correction was made to electricity costs of IDR 1,500,000.00 due to the use of private electricity costs combined with the use of company electricity costs. Positive correction for telephone costs amounted to IDR 3,864,000.00 because the company charged the entire telephone fee. The positive correction of transportation costs was IDR 3,360,000.00 because it was found that there was a use of transportation costs for private vehicles. A positive correction

of asset maintenance costs of IDR 3,360,000.00 was because the company lost some evidence of notes related to these expenses. Negative correction to revenue of Rp.9,506,025.00 because the company combines operating income with current account service income.

3. The total profit at CV Karya Bhakti Sentosa by commercial is IDR 803,695,799.00, while profit according to tax (taxable income) is Rp. 806,513,774.00, which means that the tax profit has increased by IDR 2,817,975.00.
4. After making a fiscal correction, the corporate income tax payable to CV Karya Bhakti Sentosa amounted to IDR 124,662,329.00, and the company deposited the income tax payable to IDR 124,226,756.00. Hence, the company has an underpayment difference of IDR 435,573.00.

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